

Express Mail No. EJ353096026US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 IN RE: The application of Scott Weller

2 **TITLE OF THE INVENTION**

3 Internet Sales Tracking System For Reimbursing Display Store Costs

4 **CROSS REFERENCE TO RELATED APPLICATIONS**

5 Not Applicable

6 **STATEMENT REGARDING FEDERALLY SPONSORED RESEARCH AND**
7 **DEVELOPMENT**

8 Not Applicable

9 **BACKGROUND OF THE INVENTION**

10 1. Field of the invention

11 This invention relates to Internet sales systems and particularly Internet sales
12 system that provide reimbursement to established retail locations for demonstrating
13 products.

14 2. Description of related art

15 For many years, products have been sold to consumers using a network of
16 distributors and retailers. Manufactures sell large volumes of product to the
17 distributors who then resell that product to retail outlets, who in turn sell the products
18 to end consumers. This chain can be broken by manufactures selling directly to
19 consumers, or by distributors bypassing retail stores. The problem with this is that it
20 tends to undermine the strength of the retail store. Customers begin to use the retail
21 store as a showroom. They inspect the goods, test the equipment, evaluate alternatives,

The Application of Scott Weller

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 and then buy from the direct source; the direct source usually having a much lower
2 price than the retail store.

3 The advent of the Internet has exacerbated this problem by creating an efficient
4 business model that allows consumers to purchase directly from the manufacturer or
5 other retailers online. Less handling and wholesaler mark-up, provide efficient price
6 purchasing opportunities. Because of this, many retail businesses are missing sales to
7 direct online purchases.

8 Another variation of this problem is the example of higher volume retailers that
9 steal sales from other franchisees within the same company. For example, Ford motor
10 company (Ford) has many franchises that are have better pricing than other Ford
11 franchises because of the volume pricing. Currently, a well-informed consumer could
12 go to the local dealership and test drive vehicles to learn the model of choice. Knowing
13 the dealership is a small volume dealer; the consumer enters the Ford Internet site and
14 bids the model of choice at 15 dealerships. The high volume dealerships within larger
15 cities are substantially lower in price than the dealership that the consumer test-drove
16 the vehicle. The consumer than buys the vehicle from the lowest price dealer.
17 Consequently, not only does the smaller dealer lose the sale because of access to the
18 Internet; the viewing dealership also spends resources in showing the product. The
19 future of the smaller franchise dealerships is in jeopardy once the consumer realizes the
20 power of the Internet bidding process.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 Another example of the Internet disrupting the “brick and mortar” retailers is the
2 clothing industry. For example, consumers shop for wedding dresses at typical retail
3 outlets. Once the dress of choice is discovered, the consumer copies the tag
4 information. The consumer then shops online for the same dress which they find at a
5 reduced price, since the online retailer does not have the same overhead and cost of
6 goods burden. To combat this practice, traditional brick and mortar stores now are
7 tearing off the wedding dress labels in hopes to dissuade the consumer from this
8 practice.

9 Because of this growing trend, brick and mortar companies are rushing to build online
10 alliances and direct selling methods. Their current business models may not offer the
11 best pricing on certain materials. These stores seek to ship products directly to the
12 consumer from the retailers’ distribution centers. An example of this is Office Max,
13 where a consumer can either buy the product at the their stores or on the Office Max
14 web site. This business model still carries major inventory at the traditional stores and
15 distribution centers to cater to the consumer demand.

16 Another example of a new service is one provided by Gateway Computers. Gateway
17 has viewing stores for their own computer systems. The company owns the stores.
18 Store sales are not important. The codes they use for their products are based on
19 national product codes. A consumer can walk into their store, review a product, and
20 place an order over the Internet. However, the store sales are not tracked and the sales
21 representatives have no means to be compensated on commissions. The Gateway

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 selling solution does not call for the transfer of money back to the original stores or sales
2 representatives. All of their stores are corporately owned so franchisee profitability is
3 not an issue.

4 **BRIEF SUMMARY OF THE INVENTION**

5 This invention is a system that creates viewing stores that allow a consumer to
6 view items and then purchase the product online at one price plus delivery. The brick
7 and mortar stores can sell staples for immediate consumption and provide samples of
8 other higher price items for consumer viewing. This system eliminates large
9 inventories in the stores that hurt cash flow and profitability. Distribution costs to the
10 stores are eliminated. Manufacturers provide free samples of there products to be
11 viewed. The consumer benefits from a bigger viewing section because the store
12 merchandising space can be reduced only to view products. Retailers may also request
13 consumer viewing space be rented from the manufacturer. Manufacturers ship product
14 directly to the consumers. Consumers are able to purchase the product online for one
15 price including taxes and delivery. Consumer dollars are distributed through the
16 Internet systems instead of the store. The cash then routes back to the to the parties that
17 assisted with the sale.

18 The manufacture tracking system comprises a software based system accessed
19 over the internet that makes use of consumer direct ordering capabilities, and a code
20 generations ability that tracks the product, the store and the representative that assisted
21 with the consumer's online purchase.

The Application of Scott Weller

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1

2 The new proposed business model allows the manufacturer or online retail
3 operation the ability to control consumer purchasing information while providing
4 tracking and dollar distributions to the proper store and representative involved with
5 consumer online product purchase.

6 For example, in order for the Ford Motor Company to prevent consumers from
7 viewing cars at smaller dealerships and purchasing the same car from high volume
8 dealerships, Ford implements the system as follows: each dealership receives a code
9 that determines the store location and each representative receives a code that identifies
10 their work performance. All cars with each option combination are assigned a code that
11 can be identified by the main database in which the consumer places the automobile
12 order. All cars under this system are placed under one price plus delivery, options, and
13 tax. After a consumer views a car at a dealership, the consumer is provided by the Ford
14 Dealership with a code that identifies the dealership, car and the representative (if
15 necessary) that influenced the sale. When the consumer places an order on the Ford
16 internet site, the code is programmed to fulfill the consumer order, while transferring
17 predetermined payment dollars to the dealership as a viewing fee, transferring the
18 predetermined commissions to the sales representative, and transferring the
19 predetermined dollars to the manufacturer.

20 Another embodiment this invention is a system that can be used with other
21 retailers that are not affiliated with the manufacturer. In this embodiment, each retailer

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 is given a store code, and representative codes for their sales force that are programmed
2 for different earning potential for each product code that is attached. The consumer
3 samples the product and decides to purchase. The consumer is directed to an ordering
4 web site and given a product code with an attached store/representative code to signify
5 the store and the sales representative that assisted with the sale. After the consumer
6 purchases the product with the code he/she received, the consumer secured payment is
7 distributed to in the amount of the product viewing fee for the identified store, the
8 preprogrammed commissions for the identified representative, the Internet retailer
9 commissions, the shipping company and the manufacturer. In this way, the present
10 invention provides a method for tracking and distributing information/payments from
11 a consumers purchase over the internet of the product purchased, to the store where the
12 product was viewed, and to a sales representative that may have assisted with the sales.

13 In another embodiment, the payment can also be transferred and split to the
14 online retailer, manufacturer, and other parties. After the consumer visits a store, a
15 code is generated or provided. The code details are stored within the Internet site
16 database from which the consumer purchases the viewed product. The code can
17 include the particular store profile, the product details and, if necessary, the sales
18 representative information. This code is stored on the Internet site within a database.
19 When the consumer purchases a product, the code, under the specific terms and
20 conditions, determines the product price for the consumer. The terms of sale can be
21 edited for the different retailers and sales representatives identified within the product

Express Mail No. EJ353096026US
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 code. For example, a high volume retail outlet may have a less expensive quoted
2 consumer price. After the consumer entered the code on the internet site and
3 purchased the product, the present invention collects money from consumer and
4 distributes it to the online store, the viewing store (if necessary), the manufacturer, and
5 the representative (if necessary), and other defined business revenue payment
6 structures. Consumers can also provide financial institution information to provide
7 payment to the sale parties.

8 Another embodiment of the present invention allows an online store to capture
9 and take advantage of the tracking process. An Internet retailer has viewing stores to
10 show items like clothes that are otherwise difficult to sell online. After the consumer
11 views the product, a code is generated for the consumer to use when purchasing a
12 product online. While in the store, a code is generated by the sales representative that
13 identifies him/her and the store. After the consumer pays the Internet retailer with the
14 code, the Internet retailer could send the viewing fee directly to the appropriate store
15 and sales representative.

16 **BRIEF DESCRIPTION OF THE DRAWINGS**

17 FIG. 1 is a schematic diagram of the information flow of the product-store -
18 representative-consumer tracking and consumer transfer of payments made in the
19 preferred embodiment of the invention.

20 FIG. 2 is a schematic view of the components of the master code

21 FIG. 3 is a schematic view of the configuration of the core handler.

The Application of Scott Weller

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 FIG 4 is a flowchart of the consumer's quoted product price module.

2 FIG. 5 is a flowchart of the product fulfillment module.

3 FIG. 5b depicts the allocation of dollars to the respected parties

4 FIG. 6 is a schematic of a user reviewing an account status.

5 FIG. 7a is the first part of a flowchart showing the payment distribution process.

6 Figure 7b is the second part of a flowchart showing the payment distribution
7 process.

8 FIG. 8 is a schematic showing the payment alterations module.

9 FIG. 9 is a schematic of the consumer payment process.

10 FIG. 10 is a detail view of the consumer interface module.

11 DETAILED DESCRIPTION OF THE INVENTION

12 The system uses standard components such as conventional computers,

13 telecommunications services, and output/input devices like computer terminals,

14 printers, and facsimile machines. Fig. 1 is a block diagram of the product tracking and

15 payment distribution system 100. The current system 100 includes a consumer location

16 102, telephone switch connection network, like MCI or ATT, 103, and a core handler

17 200. The core handler 200 is a modern server computer system that is active for

18 database response. The core handler's function is to execute software, to store and

19 manage information, and to handle transaction and consumer requests. The consumer

20 location 102 includes a user-input device 120, which in the preferred embodiment is a

21 computer with a modem. Consumer 102 also includes an output device 125 that can be

The Application of Scott Weller

Express Mail No. EJ353096026US
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 a typical printer or terminal screen. There are many possible input and output devices
2 that can be used. These include items such as a telephone, a personal data assistant, a
3 web site and e-mail. The consumer location visits store **610** and retrieves the master
4 code **300**. The consumer location **102** places product order through the network **103**
5 using the core handler **200**. Confirmation and shipping details **299** are communicated
6 back to consumer **102**.

7 FIG. 2 represents the product tracking and payment distribution business model
8 master code **300** fields. This code includes the specific product or manufacturer code
9 **301**. An additional elements code **304** of the master code includes the store location
10 code **302**, and a sales representative code **303** for a given online purchase. The
11 additional elements of the master code can be generated by the stores **610** internal
12 computer systems or generated by the manufactures or online retailer's headquarters
13 and presented to the consumer in paper form. In either case, the additional elements
14 code **304** is generated. Thus, the code **304** must have representation within the core
15 handler's databases **200**. For example, a representative **600** can give or add the
16 representative code **303** to the master code **300** to ensure the information of his/her
17 efforts is included within the consumer's **102** online purchase.

18 FIG. 3 is a block diagram of the elements of the core handler **200**, which is
19 connected to a conventional network interface device **222** for access to the public
20 telephone network **103**. The core handler **200** has a CPU **202**, RAM **203**, ROM **204**, a
21 payment processor **210**, a clock **211**, and a storage device **205**. These components are all

1 common to the art. The storage device 205 must have a request processor 206 and
2 multiple databases 220, 225, 230, 240, 250, 260. The request processor 206 is a software
3 program that requests the consumer's 102 master code 300 information. The rapid
4 response storage device 205 contains the master code databases 220, the pricing database
5 225, the consumer database 230, the store database 240, the sales database 250, and the
6 manufacturer database 260.

7 In fig. 4, the consumer enters the system through the consumer interface 222 at
8 step 701. A consumer 102 then transmits a product order using input 120 and the
9 master code 300, step 702. The code inquiry then initiates a process to determine the
10 product code 301, which displays the product information 309 at step 706 and identifies
11 the additional elements codes, store code 302, and sales representative code 303 at step
12 704. The pricing database 225 determines the shipping cost and tax fees 707. One
13 embodiment of the invention allows the store code to increase the price quoted to the
14 consumer at step 705 if the store code 302 is embedded within the master code 300. The
15 sales code 302 can also affect the consumer quoted price.

16 Once the order has been entered, the product cost and product terms are
17 communicated to the consumer 102 at step 708. The consumer can then accept or deny
18 the terms of the product at step 709. The master code 300 can contain preprogrammed
19 product information, sales representative commissions and other information, and the
20 store fees information. However, the code must contain the product or manufacturer
21 code 301 information.

Express Mail No. EJ353096026US
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 Next, as shown in fig. 5, the core handler 200 receives the consumers purchase
2 request (over the switched telephone network 103, for example). The core handler 200
3 takes the purchase request 59 and determines through the database the appropriate
4 product, consumer payment 60, commissions 61 to the sales representatives 610, and
5 store-viewing fees owed. Figure 5a shows how the core handler 200 sends the
6 consumer's 102 order to a fulfillment location or manufacturer 620 via an output device.
7 The manufacturer or fulfillment location 620 sends the product to the consumer 102 by
8 standard shipping means. Figure 5b shows the transfer of money to the parties that are
9 identified within the master code. In this case, the master code reveals all parties to be
10 paid within the Account status database 233, which includes, the store database 240, the
11 sales representative database 250, the manufacturer database 270. Other parties are
12 paid from their respected negotiated earnings for the particular product that was
13 ordered. The information and dollars distributed can be either outputted to the
14 participants bank accounts with identity authorization or transferred within the
15 respected Account status databases 233. The account status database 233 provides the
16 respected parties with proper identifications, a secure account status, billing and
17 payment authorization. The account status database 233 is accessed by a specific
18 participant using proper identification.

19 Figure 6 has following fields for the Account Status databases 233 that includes
20 250, 240, 270, 231: a) master code purchased; b) product details (timing)(commissions);
21 c) payment distribution; d) account reviews; and miscellaneous information.

Express Mail No. EJ353096026US
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 Each respected database can be customized for information to be viewed. The
2 mentioned fields are just a representation of the information captured within the
3 account status databases. Other field structures can be used. For example, the
4 databases can include a competitive information source **267** that consolidates all
5 purchases within a category. Using this source, manufacturers can review their market
6 share information verses their competition's.

7 Figures **7a** and **7b** are flow charts of the procedure used by the core handler **200**
8 in executing the software of the request processor **206** to process and identify a
9 consumer by the master code **300** and then accepting a product order and payment.
10 The consumer enters the core handler **200** and must provide proper identification **800**.
11 If the consumer is a new customer, the system transfers the new customer to step **801** to
12 qualify the customer. If the consumer **102** is not new and has given the proper
13 identification number, the consumer enters the master code **300** within the database at
14 step **802**. The details of the product are provided to the consumer at step **803**. The
15 consumer then makes the purchase at step **804**. The consumer profile provides all
16 variables required to determine the pricing information from the pricing database. The
17 core handler **200** then takes the master code embedded and determines the other parties
18 involvement within the consumer purchase (if any). The master code along with the
19 additional element codes **304** determines the appropriate store and representative if
20 applicable at step **805**. Step **806** is used when a store's information is embedded within
21 the master code **300**. If the store is included with the consumer purchase, the store

Express Mail No. EJ353096026US
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 earns the preprogrammed viewing fee at step 807. The payment is updated within the
2 store account status database 240 at step 808. If the master code contains a sales
3 representative code 303, the commissions information is determined at step 810 and
4 updated within 250 at step 811. Because the manufacturer is identified in the master
5 code, the payment information can be transferred to the account 270 at step 812.

6 The code database 220 contains the product details that correspond to each
7 product or manufacture code. The additional elements code 304, store code 302 and
8 representative code 303, are also included within this database. These databases are
9 accessed by password by the authorized respected parties to program product details,
10 store commissions, and representative fees.

11 The core handler 200 also has the ability to program the master code terms.
12 Figure 8 details the programming of each product code. Step 75 shows the
13 manufacturer gives the proper identification to enter the product code database 220.
14 Step 76 verifies that proper entry is made. Once accepted within the database, the
15 manufacture can preprogram the price associated with each product in terms of
16 location, taxes, and other variables at step 77. The manufacture can also determine via
17 the store code 302, product pricing and store viewing fees in step 78 that are linked to
18 that code. The manufacturer can also adjust product pricing via the sales code 303 and
19 set selling commissions in step 79.

20 The manufacturer database 270 contains the fulfillment requirements of the
21 fulfillment manufacturer or selling agent. The fields required within this database are:

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 a) the product code **301**; b) shipping location requirements inserted by the consumer; c)
2 consumer information; d) the store fee; e) the representatives commissions; f) the
3 competitive setting **267**; g) the product distribution history; and h) accounts receivable.
4 Other captured information can be programmed within this database to capture sales
5 information if desired.

6 Finally, the consumer information database **231** includes: a) the customer
7 identification number **10**; b) the customer name; c) customer address, telephone number
8 and facsimile number; d) the customer's credit card number; e) the preferred delivery
9 method and time; f) financing terms; and g) the account balance. Each purchase is
10 recorded within a specific customer's account status database. The consumer identifier
11 number **10** is a unique identifier to ensure ability to securely purchase a product on the
12 proposed invention.

13 The Core handler **200** must ensure the product purchased by the consumer is
14 fulfilled and shipped, and the respected parties receive their payments. The core
15 handler first receives input from the consumer **102** with the master code **300**
16 information. The code's source generates the pricing parameter database to provide
17 exact details to the consumer **102**. The consumer places the order and the billing
18 process occurs within database. After payment is made, the code database **220**
19 identifies the code for potential tracking and consumer influence with these parties.
20 The code prompts input from programmed formulas, the store viewing fee, and sales
21 representative commission, from the code that was placed by the consumer **102**. The

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 payments are distributed according to the preprogrammed payment product
2 parameters to the shareholders within the account status databases 233. The dollar
3 transfers can be automatically distributed to the respected parties' accounts. The
4 product and consumer details are sent to the fulfillment database 270, or directly to the
5 manufacturer.

6 Figure 9 show a conventional way to process a credit card payment using the
7 system. Using the identification number, the core handler 200 checks the credit in the
8 consumer database in step 1. The core handler 200 then outputs the credit card number
9 to the appropriate credit card processing center in step 2. The consumer database
10 account is updated in step 3. When authorization is received, the appropriate parties
11 involved in the sale are compensated in step 4. Other billing methods may be used as
12 well, without hampering the scope of the present invention.

13 Figure 10 shows details of the typical consumer interface 222. The consumer
14 must enter an identification code to be prompted to enter the master product code 300.
15 After the consumer enters the code, the consumer is quoted the price. At this point, the
16 consumer has the ability to place the order. Billing is automatic. The interface also
17 allows consumers to access their account.

18 The present invention allows manufactures the ability to track their sales directly
19 to the consumer. Dollars are not exchanged until the consumer purchases a product. A
20 code is provided to the consumer that determines the product purchased, the store that
21 the consumer viewed the product and the respected sales representative involved with

Express Mail No. EJ353096026US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1 the sale. Once the consumer accepts the price and purchases the product, dollars are
2 exchanged from the consumer to the online retailer, viewing store, sales representative,
3 and the fulfilling manufacturer. Every party involved has the ability to track past sales
4 and review their account status.

5 The present disclosure should not be construed in any limited sense other than
6 that limited by the scope of the claims having regard to the teachings herein and the
7 prior art being apparent with the preferred form of the invention disclosed herein and
8 which reveals details of structure of a preferred form necessary for a better
9 understanding of the invention and may be subject to change by skilled persons within
10 the scope of the invention without departing from the concept thereof.